

**CITY OF UPLAND
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of December 13, 2021 (Effective Date) by and between the City of Upland, a public agency organized and operating under the laws of the State of California with its principal place of business at 460 N. Euclid Avenue, Upland, CA 91786 ("City"), and Willdan Financial Services, a Corporation with its principal place of business at 27368 Via Industria, Suite 200, Temecula, CA 92590 (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project: preparation of a Comprehensive User Fee Study and Full Cost Allocation Plan (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "A."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of thirty-four thousand seven hundred forty-five dollars (\$34,745), in addition to incidental out-of-pockets costs subject to prior approval by the City. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis based on percentage of project completed.

c. The City Manager may approve Additional Work, as further defined in Section 3, up to ten percent (10%) of the amount of the Agreement. In no event shall the total sum of agreement (original compensation amount and Additional Work) exceed fifty thousand dollars (\$50,000). Any additional work in excess of this amount shall be approved by the City Council.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term

The term of this Agreement shall be from the Effective Date to December 31, 2022, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). It is expected that Consultant will complete its review and analysis and submit its final report, plans and recommendations to the City no later than May 31, 2022. The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; pandemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

a. PERS Eligibility Indemnification

In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System ("PERS") to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) exclusion deleted
- (7) Contractual Liability with respect to this Agreement
- (8) Property Damage
- (9) Independent Contractors Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 combined single limit
Employer's Liability	\$1,000,000 per accident or disease
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable within the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects ("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Reserved

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Bernardino, State of California.

17 Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

18 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

19. Organization

Consultant shall assign Chris Fisher, Vice President-Director, as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:

City of Upland

460 N. Euclid Avenue

Upland, CA 91786

Attn: Stephen Parker, CPA, Assistant City Manager

CONSULTANT:

Willdan Financial Services

27368 Via Industria, Suite 200

Temecula, CA 92590

Attn: Chris Fisher, VP-Director

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights,

burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN CITY OF UPLAND AND
WILLDAN FINANCIAL SERVICES**

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF UPLAND

By: _____

Michael Blay
City Manager

Willdan Financial Services

By: _____

Its: Vice President

Printed Name: Chris Fisher

**(Two Signatures of Corporate Officers Required
For Corporations)**

By: _____

Its: Assistant Secretary

Printed Name: Rebekah Smith

ATTEST:

By: _____

Keri Johnson
City Clerk

EXHIBIT A

Scope of Services

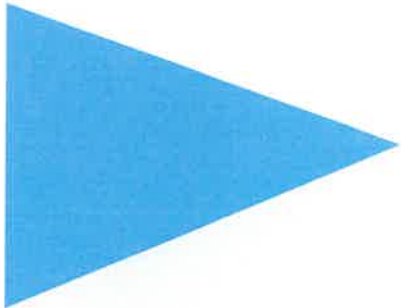
[Upland Comprehensive Fee Study and Full Cost Allocation Plan
Proposal dated October 18, 2021]

City of Upland

Proposal

Comprehensive Fee Study and Full Cost Allocation Plan

October 18, 2021



Title Page

Comprehensive User Fee Study and Full Cost Allocation Plan



27368 Via Industria, Suite 200
Temecula, CA 92590
Tel: (800) 755-6864 | Fax: (951) 587-3510

Contact Person

Chris Fisher
Director / Vice President
Email: CFisher@Willdan.com | Tel #: (951) 587-3500

October 18, 2021

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1. Letter of Interest

October 18, 2021

Mr. Ward Komers
City of Upland
460 North Euclid Avenue
Upland, California 91786

Via Email
wkomers@upldanca.gov

Re: Proposal to Conduct a Cost Allocation Plan and Comprehensive User Fee Study for the City of Upland

Dear Mr. Komers:

Following the extended shutdown of much of the economy as a result of the COVID pandemic, now more than ever municipalities throughout California are challenged with doing more with less. As cities are faced with limited financial resources to address numerous competing priorities and objectives, they are always striving to maintain high standards of service to their communities. It is critical for the City of Upland ("City") to ensure that its fees for requested services have been developed and updated to ensure maximum appropriate cost recovery, so that the revenues generated by fees cover the cost of those services to the greatest extent possible. City Staff, and ultimately the City Council, need a clear understanding of standards, service levels and the associated costs. Recognizing this, the City has responded by soliciting proposals for a Cost Allocation Plan and Comprehensive User Fee Study.

Willdan Financial Services ("Willdan") has also received the City's RFP for a Development Impact Fee Study and will provide a proposal in response. We regularly and successfully undertake this type of study, along with projects that combine a Cost Allocation Plan and User Fee Study, and ***we are confident that we can provide complete synergy, efficiency, and cost-effectiveness in performing these studies for the City.***

Willdan is uniquely qualified to assist the City with this project. The following are specific advantages that we will provide for the proposed engagement.

Direct Recent Experience with the City of Upland — Willdan has worked with the City and its financing team to successfully form several Community Facilities Districts and complete associated multiple bond transactions over the past three years. We also successfully partnered with the City on the recent Cost Allocation Plan and Hourly Rate Study, which will assist in informing this project. Through these engagements the City can be assured of the level of commitment, professionalism, and expertise that we bring to this project. ***Where possible, we will leverage our knowledge of your operations and key staff to facilitate and expedite our work, specifically the previous cost allocation analysis; focusing less time on data gathering and more on analysis, allowing City staff to focus their time on direct City operations.***

Extensive Experience with Similar Work for Southern California Cities — Willdan has worked recently with numerous cities in and around Southern California on user fee projects, with objectives very similar to those for this study. Recent and ongoing projects include Chino Hills, Chino, Pomona, Eastvale, Fullerton, Claremont, Stanton, Rosemead, Lomita, West Hollywood, Murrieta, Arcadia, and Indian Wells. ***This direct related experience allows us to bring an understanding of local fee policies and approaches to this engagement, to help us present meaningful examples and comparisons, and assist City Staff and elected officials in making informed decisions about fee setting and program implementation.***

Collaborative Approach, Proven Results and User-friendly Models and Reports — Willdan prides itself on working closely with City staff to develop an approach that is targeted toward your specific objectives and reality, and then working together with you to gather first-hand information regarding the processes and tasks required to provide services to those requesting them. ***This is a distinct advantage we will bring in our approach with the City of Upland. A collaborative approach ensures we clearly understand your goals and challenges, and just as importantly, you understand the process and the results.***

We create user-friendly Excel-based models that the City can retain and conduct our analysis and develop the model collaboratively with City staff. Rather than using an inflexible proprietary software program, we construct our models from the ground up, mirroring the City's budget format wherever possible. As a result, the information contained in our models is easy for City staff to interpret, easy to update and adjust on-the-fly, and the familiar software ensures ease of navigation.

Created directly from the models, our reports clearly and graphically illustrate full and recommended levels of cost recovery and projections of revenue for fee programs, break down the costs into direct and indirect overhead categories, and present the fee methodologies.

Our approach is geared toward delivering work on schedule and presenting results at public meetings and council workshops to stakeholders and elected officials who typically don't want or need to see the deep detailed analysis. The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance-oriented individuals. We have coordinated or participated in numerous public and staff workshops regarding fees and cost of service-based charges.

Team Member Availability and Project Schedules — Willdan team members are committed to completing the City's engagement within the proposed three-month timeline. Furthermore, outlined below are the proposed project schedules.

Full Cost Allocation Plan														
Project Schedule														
Scope of Services	November					December				January				
	1	8	15	22	29	6	13	20	27	3	10	17	24	31
Task 1: Initial Document Request														
Task 2: Kick-off / Refine Scope														
Task 3: Gather Staffing Information & Develop Model														
Task 4: Test & Review Cost Allocation Methodology														
Task 5: Prepare & Present Draft Report														
Task 6: Discuss & Revise Report														
Task 7: Prepare & Present Final Report/Instruct Staff														

Comprehensive User Fee Study																		
Project Schedule																		
Scope of Services	November					December				January				February				
	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14	21	28
Task 1: Initial Document Request																		
Task 2: Compile Inventory of Current and Potential Fees																		
Task 3: Kick-off / Refine Scope																		
Task 4: Develop User Fee Model																		
Task 5: Time Survey Interviews and Information Gathering																		
Task 6: Common Fees Comparison																		
Task 7: Data Analysis and Final User Fee Schedule																		
Task 8: Prepare and Present Draft Report																		
Task 9: Revise Draft Report/Determine Cost Recovery Levels																		
Task 10: Prepare and Present Final Report/Instruct Staff																		

Due to restrictions in place for COVID, in-person meetings have been replaced by online, virtual meetings. We have utilized virtual meetings for years to facilitate quick, on-demand meetings with clients. During the pandemic our capability to continue projects with clients never slowed down, and we have had great success shifting meetings that we would typically have held in-person to virtual meeting spaces. Should these restrictions loosen sufficiently to allow for in-person meetings, and at the City's request, we can change to in-person meetings.

We are excited about this opportunity to serve the City of Upland. To discuss any aspect of our proposal, please contact me directly at (951) 587-3528 or via email at cfisher@willdan.com. As a Vice President of Willdan Financial Services, I am authorized to bind the firm to the terms of this proposal, as well as the subsequent agreement.

Sincerely,

WILLDAN FINANCIAL SERVICES



Chris Fisher
Vice President - Director

2. Project Understanding and Approach

Project Understanding

Willdan Financial Services (“Willdan”) is confident that we can meet the City of Upland’s (“City”) request for services for a Comprehensive User Fee Study and Full Cost Allocation Plan. ***The overall objective of this project will be to develop an updated schedule of fees for City services, that:***

- ***Identifies the true and full cost of providing those services – including indirect overhead support;***
- ***Compares costs with existing recovery levels;***
- ***Recommends new fees where appropriate, and;***
- ***Provides recommendations for actual fee levels, based on City policies and local comparisons.***

The end products will include user-friendly Excel-based models, which City staff will retain, and which can be easily updated to add or remove services and/or costs, update budgets in future years, determine the proper allocation of expenditures, and on-going full cost of services provided by the City. Most importantly, we will ensure that the results and recommendations are clear and understandable, defensible, and easily implementable.

We will meet directly with departmental representatives at the City at the beginning of the project, to discuss the approach and process for the studies. Discussions will include ways to combine tasks and efforts among the cost allocation plan and user fee study components to maximize efficiencies and ensure adherence to specified timelines.

The completion of a CAP is a key component and first step in the analysis necessary to calculate the cost of providing services. ***A well thought out CAP ensures that indirect costs associated with central overhead services, such as finance, human resources, or city clerk, are appropriately allocated to operating departments, and ultimately included as a cost component of fees for services.*** We will work collaboratively with City staff to identify the overhead support services that are provided to operating departments in the City and develop a fair and defensible means of allocating these costs. Our unique model allows us to provide a CAP that will also be compliant with 2 CFR Part 200 Federal regulations related to cost reimbursement and grant funding, formerly known as OMB A-87 and 2 CFR Part 225 guidelines, which have now been superseded by the Omni Circular. The new circular did not completely overhaul the guidelines, and the intent is still the same, but it did add new limitations to consider and incorporate into a compliant CAP.

Rather than a costly and inflexible proprietary software, which can require expensive licensing fees, Willdan builds models utilizing Excel, from the ground up, employing the City’s budget as the gauge. This model, which is then the City’s to retain, gives City Staff the control to make on-the-fly adjustments and updates.

For the Comprehensive User Fee Study, we will work directly with personnel at the City who provide services and interact directly with residents and customers, to understand the personnel and procedures involved. By carefully examining these processes, we will be able to identify associated costs such as direct staff costs (salaries and benefits) associated with personnel involved in the activities, and appropriate overhead allocations from both the department and city levels.

For a successful and effective engagement, it is important to have a thorough understanding of specific City policies and objectives, the structure and organization of the City, and the relationships between the central and operating departments. We bring years of successful experience working directly with hundreds of cities throughout California.

Willdan possesses the resources, practical experience, creative thinking, and collaborative consulting skills necessary to complete this important project.

Key distinct advantages that Willdan brings to the City include the following:

On-site Data Gathering

Our experience has taught us that working together, via face-to-face discussions, is the most efficient and thorough way to ensure that results are accurate, and that studies are completed in a timely manner, which again, is critical in this proposed engagement.

Consequently, through on-site interviews with your staff, Willdan will collect the majority of required data for studies. This method is better than the typical “time and motion surveys” that are provided to agency staff when studies like these are conducted. This process ensures that we gather the data we need in one coordinated step, rather than having to go through repeated follow-up and clarification.

This approach and the dedication of our staff will help ensure we meet the City's timeline and objectives and provide important information to City staff and the Council as soon as possible.

Public Engagement

Our models and project approach are geared toward delivering our work on schedule and presenting our analysis results at public meetings and Council workshops. While we understand that the City Council and local business community may be generally supportive of increasing fees where necessary, it will be important to present recommendations to them in a way that clearly demonstrates the rationale and supporting analysis.

The Willdan Team is experienced at communicating complex analytical results in a manner that is easy to understand by non-finance-oriented individuals and facilitates discussion. Our proposed principal-in-charge for this engagement has coordinated or participated in numerous public and staff workshops regarding fees and cost of service-based charges. As previously mentioned, our objective is to provide useful, detailed information, and present recommendations to the City Council and public in a way that clearly demonstrates the rationale and supporting analysis. Our experience ensures that we can meet this objective.

User-friendly Models and Reports

Willdan prides itself on creating user-friendly Excel-based models that the City can retain and ***conducting our analysis and developing the models collaboratively with City staff.*** With City staff's immediate input and collaboration, Willdan will design extremely flexible, intuitive Excel-based models. In the future, as the City assumes new responsibilities, modifies existing processes, and/or eliminates unnecessary services or programs, the models will be capable of adding or deleting funds, objects, departments, programs, staff positions, and activities. Willdan understands that issues facing the City are unique; consequently, we design our models to match your immediate and desired needs to ensure that end-results exceed staff expectations rather than using an inflexible proprietary software.

The model will be developed to allow the City to run "what-if" scenarios to address possible changes in staffing levels, working hours, etc.

These models are then the City's to retain, after our services are completed, and allows for the creation of revenue projections, highlighting potential new revenues, and levels of subsidy.

A key element of these studies is presenting results and recommendations in a straightforward manner, that allows Council and staff to confidently make fee setting policy decisions and understand the impacts of those decisions. Rather than using an inflexible proprietary software program, we construct our models from the ground up, as previously discussed, mirroring the City's budget format wherever possible. As a result, the information contained in our models are easy for City staff to interpret, and the familiar software ensures ease of navigation. As the models are being designed and constructed, we will work together with City staff to determine the best and most effective features to include.

After the project is completed, we will provide training, so that staff can independently and efficiently evaluate the effects of changes in certain factors. Created directly from the models, our reports clearly and graphically illustrate the full cost recovery level of fee programs and provide projections of revenue from fee programs.

Project Methodologies

The following describes our proposed approach, and work plan to prepare an Overhead Cost Allocation Review and Comprehensive Fee & Rate Study.

Cost Allocation Plan Methodology

The purpose of this cost allocation plan engagement is to ensure that the City of Upland is maximizing the recovery of indirect costs from identified operating departments, as well as enterprise and other chargeable funds and capital projects. Furthermore, a sound cost allocation plan is a foundational element of a user fee study, and the development of internal hourly rates, including CIP billing rates. We will work closely with staff in identifying the proper balance of allocation factors appropriate for the City.

To achieve the maximum cost recovery objective, the City must have a method of identifying and distributing administrative costs that is fair, comprehensive, well documented, and fully defensible. A cost allocation plan coupled with comprehensive overhead rates will enable the City to achieve this goal.

The allocation models utilize an iterative method which is the most accurate allocation methodology. Unlike a direct or "step-down" methodology, an iterative method uses the chosen distribution bases and allocates central service costs iteratively until all allocable costs have been distributed.

Using this method, the model can detail the allocation for each central function individually for complete transparency and accountability, while removing bias that might result from the order in which allocations occur in a step-down approach. A direct methodology is essentially a one-iteration methodology, while a step-down method is typically only two iterations and is less precise and unable to accurately track the allocations from start to finish.

Approach for Managing the Project

Willdan's "hands-on" supervision of Cost Allocation Plan studies, include the following methods:

- **Effective Project Management** — Principal-in-Charge Chris Fisher will manage the entire project with an eye toward high responsiveness, while ensuring that all stakeholders are "on board" with the direction of the project, as well as with the final results. Mr. Fisher will ensure that regular status updates are provided to City staff, conference calls are scheduled, and that in-person meetings are conducted (as necessary).
- **Adherence to Time Schedule** — Willdan recognizes that the use of "timelines" is highly effective in meeting all required deadlines. To keep the project on schedule, there are several tasks that must be completed in a timely manner. Therefore, we will present a project timeline at the kick-off meeting that should be closely followed.

Although the establishment of an experienced project team and a detailed project timeline work extremely well in general, Willdan understands that outside influences can create uncontrollable situations for everyone involved in the project. In rare circumstances like these, our team quickly adapts to changes, and communicates our recommended schedule adjustments to the City.

Approach in Communicating with the City

Willdan staff is accustomed to interfacing with local government councils, boards, staff, community organizations, and the public in general in a friendly and helpful manner; we are always mindful that we represent the public agency. We are sensitive to the need of delivering a quality product, with the highest level of service and professionalism.

Therefore, as the work on the project progresses, we understand that it will be necessary for our staff to work closely with you and City personnel.

To accomplish this, we employ a variety of tools, including monitoring project status and budget costs; and ensuring effective communication through several options that are based on the City's preferences.

Experience with Development Service Processes

A unique aspect of our firm is our relationship with our Engineering Division. For many agencies throughout California and other Western states, this division provides contracted services in planning, engineering, and building and safety. When conducting cost recovery studies, we regularly consult with our engineering and land-development staff of experts on development-related issues. By working with our planners, engineers, and building officials, we understand development-related agency service procedures and workflow functions, which often make the entire user fee study process smoother for your staff.

Comprehensive User Fee Study Methodology

To comprehensively update fees, the City should develop a comprehensive user fee schedule that accurately accounts for the true cost of providing services. Once the study is complete, the fee study model must be flexible so that the City can add, delete, and revise fees in the future. To meet this goal, we will bring our expertise and unique perspectives to your fee study by approaching the project with these three principles:

1) Defensibility

Our user fee projects have not been legally challenged since the inception of this practice area in our firm. We have accomplished this by closely working with legal counsel familiar with user fee studies, our engineering division and with agency staff. In this way, we can tailor the correct approach to ensure full cost recovery combined with a sound and reasonable basis for each user fee you implement.

While Proposition 218 does not directly apply to non-property-related fees, we employ principles from this important constitutional article to make certain that your user fee schedule is developed with fairness, equity, and proportionate cost recovery principles in mind. With the addition of Proposition 26, Willdan will review each analyzed user fee for compliance and appropriateness to ensure continued defensibility.

2) Project and Staff Time

The City must have a sound and technically defensible fee schedule to ensure costs are appropriately recovered, as applicants approach the City for its services. Our standards and approaches serve to get to the issues of your fee study quickly. Starting with the project kick-off, we will make certain that your staff understands the purpose and scope

of the study and its corresponding on-site departmental interview. As Willdan is able to communicate directly with the service providers, this face-to-face interaction provides valuable time estimates.

3) Responsiveness

We take great pride in providing responsive service to our client agencies. Frequent communication is critical to a successful user fee study experience. We will provide a list of data requirements in advance of the project kick-off. Due to this simple step, the introductory meeting can focus on the survey input process, answering questions, determining policy goals, and defining next steps in the project. We will follow up weekly with you at each step in the fee study process to make sure that staff “buys in” to the fee study approach and results.

Comprehensive User Fee Study Approach

Our approach to preparing the user fee study and documentation for Upland includes:

- Close coordination with your staff to devise a consensus approach. Different programs and/or different service delivery methods will necessitate different approaches.
We will discuss specific pros and cons with City staff as we determine which methods work best for each fee category;
- Strict adherence to key legal and policy issues with regard to user fees, including the percent of cost recovery that the City seeks to achieve. A user fee shall not be set higher than the reasonable cost of providing a fee-generating service. Our approach provides you with a fee schedule that achieves maximum legal cost recovery while ensuring that each fee is supported by technically defensible documentation; and
- Technical analysis necessary to ensure State compliance, and to anticipate and resolve potential policy issues using a combination of industry standards as well as City specific methods.

As described below, there are two basic approaches to calculating user fees:

Approach 1: Case Study Method

This is also sometimes referred to as a cost build-up approach. Using a time and materials approach, the “Case Study Method” examines the tasks, steps and City staff involved in providing a particular ‘unit’ of service, such as a permit review, and then uses that information to develop estimates of the actual labor and material costs associated with providing a unit of service to a single user. It is often used when a service is provided on a regular basis, and staff and other costs associated with the service can be segregated from available budget data.

A typical case study fee model should comprise the following three general cost layers:

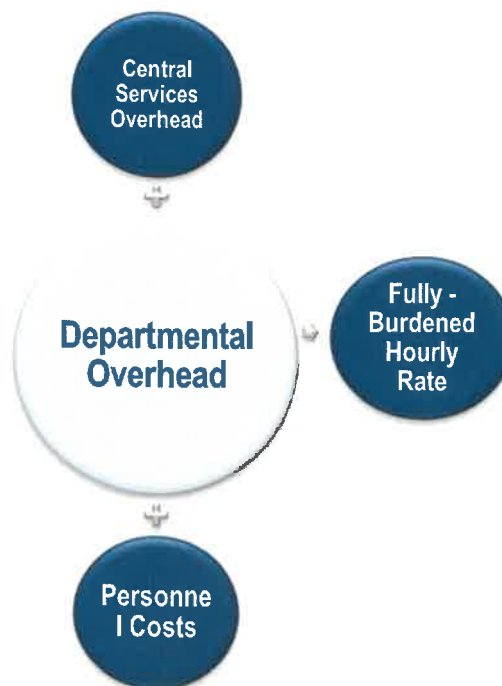
1) Central Services Overhead: This category may involve such costs as labor, services, and supplies that benefit more than one department, division, or project. The exact benefits to specific areas are impossible to ascribe to a single activity. Examples are purchasing, human resources, and liability insurance. As part of the user fee study, these costs are calculated in the overhead cost review.

2) Department Overhead: This category may include expenses related to such items as office supplies, outside consultants, and membership dues. It may include management, supervision, and administrative support that are not provided to a direct fee-generating service. Typically, these items are charged, on an item-by-item basis, directly to the department, division, or project.

3) Personnel Costs: This category refers to direct salary and benefit costs of staff hours spent on providing a fee-generating service (e.g., on-site building inspector).

Approach 2: Average Cost Method

This is also sometimes referred to as a programmatic approach, because it looks at costs at a program level, and then allocates them to participants on an occurrence basis. By taking total service costs across a substantial sample period (a year) and dividing by the total number of service units delivered over that same period, costs per unit of service is estimated. This approach is useful when services or programs are provided in a more aggregate manner, where it might be difficult to identify a specific sequence of steps associated with one user or participant; or where it is not feasible to cost-effectively segregate costs associated with specific activities.



Work Plans

Our proposed work plans, described in detail by task, are provided below. We will maximize efficiency and cost-effectiveness by combining meetings and data gathering efforts between the user fee study and cost allocation plan wherever possible. We explain how each task will be accomplished and identify associated meetings and deliverables. We will work in concert with the City to adjust scopes as needed during the course of the studies.

Full and OMB Compliant Cost Allocation Plan

This proposed scope of services addresses the completion of both the overhead and OMB compliant versions of the Cost Allocation Plan (CAP). We have noted where activities specific to the OMB compliant plan occur.

Task 1:	Initial Document Request
Objective:	Initial due diligence.
Description:	<p>Prior to the kick-off call, relevant documentation will be obtained and reviewed in order to enhance our understanding of the City's current cost allocation plan and internal structure of the agency. A written request for specific data will be sent to the City. The data provided in this task will provide the building blocks for later model development.</p> <p>Our request may include (but is not limited to):</p> <ul style="list-style-type: none"> Detailed budget and accounting data; Prior year's financial data, salary, position, and staffing data; Organizational structure; Prior cost allocation plan and/or user fee documentation and models; and Data related to various allocation bases that may be incorporated as part of the methodology, i.e., City Council agenda frequencies by department, AP/AR transactions by department, IT equipment distribution by department, etc.
Deliverables:	<p>Willdan: Submit information request to City.</p> <p>City: Provide requested data to Willdan (prior to Task 2, Kick-off Call/Refine Scope). We will follow up with the City to confirm in writing the data that we have received, or which is still outstanding.</p>
Task 2:	Kick-off Conference Call / Confirm Project Strategy / Refine Scope
Objective:	Confirm project goals and objectives and develop overall project strategy. Identify and discuss policy issues related to the study and determine appropriate fee categories.
Description:	<p>Willdan will identify and discuss policy issues typically associated with these studies and address data gaps in order to gain a full understanding of the City's goals for the cost allocation plan.</p> <p>We will establish effective lines of communication and processes for information gathering and review, and conduct discussions with City Staff to verify the scope, purposes, and objectives for the CAP.</p> <p>We will also discuss costs that may not be allocable for OMB purposes, and the potential impact on the OMB version of the CAP.</p> <p>During this call, we will ask that the City assign a project manager to serve as its primary contact. The selected City project manager will ensure that available data is provided to Willdan in a timely manner, thereby maintaining adherence to the project's schedule.</p> <p>We will obtain and review the current cost allocation methodology and discuss with City staff.</p> <p>The objective of this review is to determine specific areas of focus as they relate to the City's objectives, and to discuss and evaluate current and potential allocation factors.</p>
Meetings:	One (1) project kick-off conference call to initiate the project, discuss data needs and methodologies and to address policy issues. We would propose to conduct the user fee study kick-off during this same call, to maximize efficiency and cost effectiveness of City Staff and Willdan time.
Deliverables:	<p>Willdan: If needed, a revised project scope and schedule.</p> <p>City: Provide further data requirements and select/introduce City's project manager.</p>

Task 3:	Gather Staffing Information and Develop Cost Allocation Plan Model – with OMB Compliance
Description:	<p>This task involves the gathering of specific information, directly from City staff, through interviews and discussion, related to the functions served by indirect staff and the departments served by their activities. This task also focuses on the development of, and/or adjustment of existing allocation bases, and the development and testing of a model that will ultimately be used to calculate the proper cost allocations derived from data gathered in prior tasks.</p> <p>The model will be developed to incorporate any recent changes in the provision of City services, and fully allocate central service costs. It will allow for adjustments to direct and overhead costs so that the model can be scaled and adjusted going forward. The model will also have the ability to be modified to adapt to changes in personnel, staffing or structure, and be easily updated for changes in personnel rates or inflation of costs.</p> <p>The model will also calculate a citywide overhead rate and overhead rates for each department, enterprise, and fund, including Internal Service Funds.</p> <p>We will discuss with staff the differences necessary to develop a Cost Allocation Plan that complies with State and Federal OMB guidelines. The model will also be developed to allocate only those costs eligible under 2 CFR Part 200. This is accomplished by loading relevant data into the model, identifying which costs are not allocable under the OMB guidelines. The OMB Super Circular compliant model is valuable as the City may receive Federal or State grant funding that mandates compliance with Federal OMB regulations.</p> <p>We will utilize budget and organizational information, and other required information gathered from City staff to complete the work in this task. Specific discussions will be held to discuss bases, how central overhead services are provided to and utilized by other departments, cost categories and allocation criteria, and how these will factor into the overall cost allocation methodology.</p> <p>The model and methodology will also produce indirect cost rates and fully burdened hourly personnel rates. These rates will be suitable for a variety of uses, including incorporation into the User Fee Study's personnel rates, billing to CIP projects, and in the OMB Super Circular compliant CAP, to Federal grants.</p>
Meetings:	Online meetings with staff to understand structure and operations as model and allocation bases are developed. Key staff will be interviewed to best understand central overhead staffing and functions and the departments served.
Deliverables:	Willdan: One (1) user-friendly model in Microsoft Excel format that provides both a full cost allocation plan and an OMB Super Circular compliant cost allocation plan.
Task 4:	Test and Review Cost Allocation Methodology
Objective:	Test and review model and results with City.
Description:	<p>The draft cost allocation plan model will be reviewed with City staff, and adjusted as necessary, to ensure that preliminary allocations provide an accurate depiction of how the central overhead costs should be borne by the operating programs and funds. Over the past several years, we have successfully integrated online meetings by using WebEx™ as an element to our approach.</p> <p>This allows us to remotely guide staff through the model review and allows you the opportunity to interactively change inputs and test approaches.</p>
Meetings:	One (1) online meeting and demonstration with City Staff to review the model.
Deliverables:	Willdan and City: Draft cost allocation plan model review.
Task 5:	Prepare and Present Draft Report
Objective:	Prepare the draft cost allocation report.
Description:	This task involves the draft report preparation. The cost allocation plan's background, model methodologies, and results will be discussed; calculations and supporting data will be presented textually and in easily understood tables and provided to the City.
Meetings:	One (1) online meeting to present the draft report to City Staff.
Deliverables:	<p>Willdan: Draft report for City review and input.</p> <p>City: Review of draft report, with comments, and edits.</p>

Task 6: Discuss and Revise Report

Objective: Review of draft report, cost distribution methods, and model.

Description: An in-depth review of the draft report and model will be conducted to arrive at an optimum allocation method for each expenditure type.

Often, through the course of an engagement, comments usually revolve around issues of understandability; appropriate levels of enterprise funds' cost recovery, etc.; ease of calculation; and overhead costs' distribution methods.

Our reports are structured to include both the overhead and OMB compliant plan, but in the course of review if a separate report is desired for each or just one of the plans, they will be split.

Following a round of comments from City staff concerning the draft report, the final report will be prepared for presentation to the Council.

Meetings: One (1) conference call with City staff to review the report with changes and revisions.

Deliverables: Draft report, and revised draft/final report.

Task 7: Prepare and Present Final Report and Model and Instruct Staff

Objective: Prepare and present the final report to City Council. Educate City staff on the operation and use of the model for future modifications.

Description: This task is the culmination of the cost allocation plan project. Based on staff comments on the draft report, Willdan will prepare the final report for presentation to City Council.

Meetings: One (1) meeting with the City Council to present the final plan if necessary. This meeting would be held in conjunction with the presentation of the user rate study results and may also be held remotely via web conference if necessary due to ongoing COVID-19 public health mandates.

We will also provide staff training on the operation and use of the model.

Deliverables: **Willdan:** Provide one (1) electronic PDF file copy of the final report and models (full and OMB Super Circular compliant), and five (5) bound copies, and one (1) unbound copy to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD/ROM.

Comprehensive User Fee Study

Task 1: Initial Document Request

Objective: Initial due diligence; obtain study-related data.

Description: Prior to the kick-off meeting, we will obtain and review relevant documentation to further enhance our understanding of the services, fees, and rates to be studied. A written request for data will be sent to the City. Please note that Time Survey data is not part of this request and will be gathered during the on-site interviews described in Task 5.

We will request information and documentation on current fees and fee programs, activity levels, and budget and staffing information (to the extent not already available) related specifically to programs and activities which have associated fees, and for which the City has this level of detail.

Deliverables: **Willdan:** Submit information request to City.

City: Provide requested data to Willdan (prior to Task 3, Kick-off Meeting/Refine Scope). As with the cost allocation plan, we will follow up with the City to confirm receipt of requested data and information and highlight data elements that are outstanding.

Task 2: Compile Inventory of Current and Potential Fees

Objective: Willdan will identify a schedule of fees and methodology for calculating the fees.

Description: Based on the results of the initial document request and independent research, incorporate into our model the existing fees, provided by the City, to comprise the parameters of the fee study.

Meetings: It is possible that a conference call with the City may be necessary to discuss new fees to implement or existing fees that may no longer be required.

Deliverables: **Willdan:** One (1) draft list of current fees based on initial data provided (to be discussed and finalized during the kick-off call).
City: Review completed fee schedule with comments/revisions to be discussed during the kick-off meeting.

Task 3: Kick-off Conference Call / Refine Scope

Objective: Confirm goals and objectives for the User Fee Study. Identify and resolve policy issues typically raised by a User Fee Study, address gaps in data, and refine appropriate existing or new fee categories (based on Task 2).

Description: Verify our understanding of the City's goals, the City's cost-recovery policy for user fees, and to fill any gaps in data/information necessary for the project. It is important for the City and Willdan to identify and address any foreseeable problems and maintain open communication throughout the process.
 During this call, we will ask that the City identify a project manager who will serve as the primary contact for the project. The project manager shall have responsibility for ensuring that all available data is provided in a timely manner, thereby maintaining adherence to the project's schedule.

Meetings: One (1) project kick-off call to initiate the entire project, discuss data needs, and address policy issues. As mentioned in the cost allocation plan work plan, we suggest combining the kick-off calls to increase efficiency.

Deliverables: **Willdan:** 1) Revised project scope and schedule (if needed); and 2) brief summary of policy decisions (if needed).
City: 1) Provide further data needs; and 2) determine/introduce City's project manager.

Task 4: Develop User Fee Model

Objective: Develop and test model.

Description: This task involves the development of the model ultimately used to calculate the departmental fees, based on data and information gathered in previous tasks and in the Time Survey Interviews described in Task 5. To ensure that City policies are met through the imposition of the calculated fees, the model will be formatted to include appropriate costs.
 Key model inputs will include staff and allocated overhead costs per position, and relevant budget data on salaries and benefits.
 Most of this information will be developed during the cost allocation plan phase of this project and will be incorporated directly into the user fee model. We will request clarification and/or additional data if necessary.
 The model will build upon the cost allocation plan results, to provide an allocation of administrative and overhead costs to fee related activities and departments providing services to customers, so that fees and billable rate schedules incorporate applicable costs. Furthermore, the fees and rates charged to customers will also reflect the cost of the services being provided, to the extent possible given policy and/or political considerations.

Deliverables: **Willdan:** One (1) user-friendly model in Microsoft Excel format, which, when finalized, City staff can use to calculate fee changes annually, or as often as deemed appropriate by the City Council.

Task 5: Time Survey Interviews and On-site Information Gathering

Objective: Meet with City staff to complete Time Surveys and understand service delivery processes.

Description: In order to assist staff with the completion of the survey worksheets, we will schedule one (1) full day of on-site meetings with staff; however, the number of meetings needed may vary depending on the number of staff and departments involved.
 The Willdan Team will conduct interviews with supervisors/managers, as well as other staff, as deemed appropriate and/or necessary, from each department involved in the user fee study to determine the average time required by City staff to provide each of the services for which a fee is collected.
 The fee model is designed so that full cost recovery fees are calculated immediately upon input of staff time. These full costs are also compared to current cost recovery levels. This will allow Willdan and City staff to conclude with a final meeting to review the draft full cost recovery fees and adjust any

times as necessary once all information has been compiled and input into the fee model. We will schedule the interviews with staff to minimize any disruption to their normal workflow.

Meetings: Two (2) full business days of on-site meetings/staff interviews. In light of ongoing public health mandates associated with COVID-19, we will discuss with the City whether these meetings need to be conducted via WebEx or Zoom. We have been using these tools during the course of the shutdowns and they have proven effective and successful.

Deliverables: **Willdan and City:** Time surveys and draft full cost recovery fees.

Task 6: Common Fees Comparison

Objective: Examine selected user fees charged by up to five (5) comparable cities in San Bernardino County, or jurisdictions that are similar to the City of Upland.

Description: We will access and use our knowledge of other jurisdictions to benchmark the City's five (5) most common fees or highest yielding fees with comparable jurisdictions agreed.

Fee schedules are rarely readily or directly comparable from agency to agency due to definitional and operational differences. For example, a grading permit in one jurisdiction may include the plan check service, while the same permit in another jurisdiction may not, resulting in similar sounding services with widely varying costs. For this reason, Willdan takes a selection of the City's most commonly used and/or highest yielding fees.

The survey will contain the following, a comparison of common or similar fees and charges used by the City and other jurisdictions; current and proposed fees and charges unique to the City of Upland; fees and charges used by other public entities not currently used in the City; and If possible, identify characteristics and processes unique to the City that account for significant variances in fees and charges used by other jurisdictions.

Deliverables: **Willdan:** Recommendations provided in Task 8 will incorporate the data gathered during our examination.

Task 7: Data Analysis and Final User Fee Schedule

Objective: Incorporate information obtained from on-site surveys to fully develop model.

Description: We will update the model, based on information received during the on-site surveys, to generate a comprehensive user fee schedule. In addition, it is very common that a supplemental data request may be necessary, based on new fees identified that the City is not currently collecting.

Where appropriate, we will suggest and discuss with staff alternate approaches to existing fee programs (i.e., building fees) and suggest potential areas where fees could be collected where they are not currently.

We will present the full cost recovery level for fees, both current and projected under the new calculated fees, and revenue projections, given certain assumptions about the levels of subsidy for different fees.

Current levels of cost recovery will be compared to actual full costs calculated during the course of this study. Cost will be calculated at reasonable activity levels and include all appropriate direct and indirect costs and overhead. We will review fee programs for compliance with Propositions 218 and 26.

In developing the fee schedule, we will make recommendations for new fees where appropriate, based on our experience with other cities. Some areas for new fees may be due to changes in law (legalized cannabis), or for activities that the City finds itself performing regularly, but for which no fee is collected.

Where possible, we will incorporate discussion of the City's economic development policies, and where these may intersect with fee programs, for instance setting fees in a manner that encourages certain activities.

The user fee data analysis and model development may take three (3) to four (4) weeks with frequent correspondence with City staff to discuss current cost recovery amounts, necessary to recover full cost and frequency activity.

Meetings: Meetings, as necessary, to gather additional input, complete analysis and finalize fee schedule. Please see the note in Task 5 regarding COVID-19 and in-person meetings.

Deliverables: Final user fee model for City Council presentation and discussion.

Task 8:	Prepare and Present Draft Report
Objective:	Prepare draft report.
Description:	<p>This task involves the preparation of the draft report that discusses the study's background, the methodologies utilized in the study, and the results and presentation to various stakeholder groups. As noted below, meetings may occur during this or the next task as appropriate. The calculations used to generate the user fee study will be included textually, as well as in easy-to-understand tables. Individual fee summaries by department and a comprehensive fee schedule will be included. The draft report will include the following:</p> <ul style="list-style-type: none"> ▪ Key results and findings; ▪ Basic descriptions of each service; ▪ The full cost of each service at lowest reasonable activity level and current cost recovery levels; ▪ Costs broken down graphically into indirect and direct components, with a graphic display of the level of cost recovery; ▪ Fee recommendations with existing and proposed levels of cost recovery and percentage changes; ▪ Projections of potential fee revenue; ▪ Assessment of reasonableness of each City's costs; ▪ Review of reasonableness of current consultant cost structure (for Building Division services); ▪ As appropriate, recommend alternative methodologies for building permit fee calculation; and ▪ Summary and recommendations. <p>The objective of the report is to communicate the recommendation of appropriate fees, which include the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic.</p>
Meetings:	One (1) conference call with City staff, to present draft results address questions and receive feedback.
Deliverables:	<p>Willdan: Draft report for City review and comment.</p> <p>City: Review of draft report, with comments and edits.</p>

Task 9:	Revise Draft Report/Determine Cost Recovery Levels for Recommended Adoption
Objective:	Review of draft report and fee model.
Description:	<p>The goal of this task is to conduct an in-depth review of the draft report and model, incorporate feedback and changes as a result of previous discussions, and arrive at an optimum fee structure. Often through the course of an engagement, City staff will volunteer insightful likes and dislikes regarding the existing fee structure. We listen to this feedback carefully because your staff members know the community best. Comments usually revolve around issues of:</p> <ul style="list-style-type: none"> ▪ Understandability; ▪ Fairness to applicants; ▪ Ease of calculation; ▪ Appropriate levels of cost recovery; and ▪ Full cost recovery hourly rates. <p>When adjusting fee recovery levels, we believe it is important to address these concerns.</p> <p>Following one (1) round of comments from City staff on the draft report and feedback from City staff, we will prepare the final report for presentation to the City Council.</p>
Meetings:	One (1) online demonstration (WebEx) to review the report and model, with any revisions.
Deliverables:	Draft report, revised draft /final report.

Task 10:	Prepare and Present Final Report/Instruct Staff on Model
Objective:	Prepare and present final report to City Council. Instruct staff on the operation and use of the model for future modifications.
Description:	This task is the culmination of the entire project. Based on staff comments received regarding the draft report, we will prepare the final report for presentation.
Meetings:	One (1) meeting with City Council to present the results and adopt the updated fee schedule. We will also provide staff training on the operation and use of the model on the same day, during regular business hours.
Deliverables:	Provide one (1) electronic PDF file copy of the final report and models; and, if requested, provide five (5) bound copies, and one (1) unbound copy to the City. Using Microsoft Word and Excel, an updateable electronic copy of the study and models, as well as related schedules, will also be provided on CD-ROM.

City Staff Support

To complete our tasks, we will need the cooperation of City staff. We suggest that the City of Upland assign a key individual to represent the City as the project manager who can function as our primary contact. We anticipate that the City's project manager will:

- 1) Coordinate responses to requests for information;
- 2) Coordinate review of work products; and
- 3) Help resolve policy issues.

Willdan will endeavor to minimize the impact on City staff in the completion of this project. We will ask for responses to initial information requests in a timely manner. If there are delays on the part of the City, we will contact the City's project manager to steer the project back on track. We will keep the City's project manager informed of data or feedback we need to keep the project on schedule.

Willdan will rely on the validity and accuracy of the City's data and documentation to complete the analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy and will not be responsible for any errors that result from inaccurate data provided by the client or a third party.

Required City Data

Provided below are sample data requests. Additional information may be required.

After emailing the requests to the City, we will set up a conference call to walk through them and clarify any questions you may have.

Cost Allocation Plan Data Request

1. An Excel copy of the most recent fiscal year adopted expenditure budget or actuals. The expenditures should be detailed down to the object/cost code level by Fund/Department/Division.
2. An Excel copy of the most recent adopted revenue budget or actuals in the same detail as the expenditure budget.
3. A key or detail of the budget entities for all Funds/Departments/Divisions/Cost Objects that includes:
 - a. The name of each.
 - b. The account number identifier as found within the budget.
4. A listing of all internal service funds and direct charged services that includes:
 - a. A brief description of the purpose of the fund/department/service.
 - b. The fund/department/division number as found within the budget, and the related cost object(s) used to allocate out the related expenditures (cost code used to charge the operating departments they provide service to).
5. The most recent list of Full Time Equivalent positions in the City listed by fund/department/division number, with columns for the percentage/FTE for each allocation as well as the position title.

6. A list of the number of Agenda Items per fund/department/division number in the past 12 months. Any items that are general to multiple departments or to the City can/will be excluded. This is typically the most difficult to generate, so please let us know if you have any questions.
7. A list of Accounts Payable or Purchase Orders by fund/department/division number in the past fiscal year or 12-month period.
8. A list of Accounts Receivable by fund/department/division number in the past fiscal year or 12-month period.

Further requests for data will be made after a review of this data, and discussions with the City to determine the best approach. Thank you for your assistance in this matter.

User Fee Study Data Request

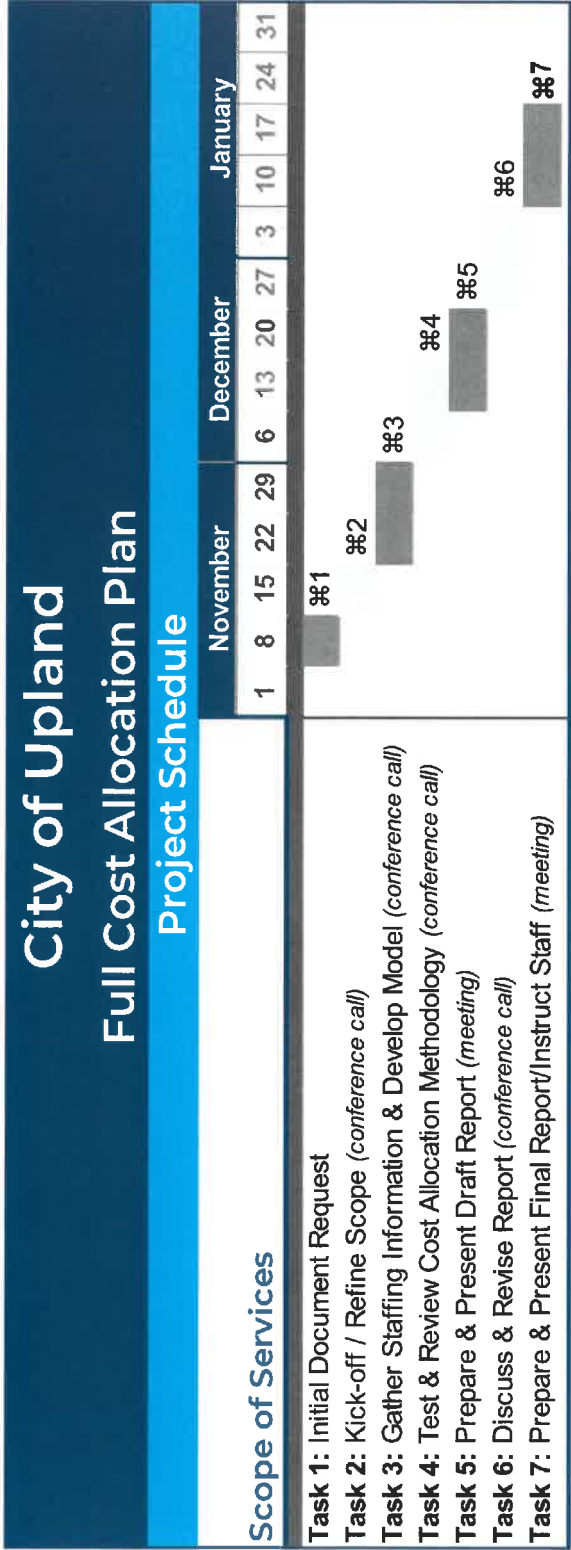
1. A **salary schedule** that includes a list of budgeted staffed positions by department/division.
2. A **schedule for part time/contract personnel** with rates if applicable for the fees part of the analysis.
3. If available, an excel version of the **master fee schedule**.
4. A list of any user fees/services currently being charged by the City but not accounted for in the Master Fee Schedule, such as department used **supplemental schedules**.
5. If available, a list detailing the **fee activity level** of each fee/service for the 2-3 years.
6. The **building permit revenue and associated valuation amounts** for the past 10 years.
7. Verification of **Productive Hours**. Willdan derives productive hours by 2080 annual working hours minus and estimated 430 vacation/holiday/staff meeting/training hours. The net result is **1650** productive work hours. *Please verify this is an accurate depiction of the City's productive hours, or otherwise, provide a calculation for each department.*
8. If contract services are used to provide service for any fees in the study, please provide the **contract documents** for those that apply.
9. Department contact information for the liaison and department head.

Further requests for data will be made after a review this data, and discussions with the City to determine the best approach as we work through the study. Thank you for your assistance in this matter.

Project Schedules

Willdan understands time is of the essence for the City of Upland to begin this engagement. *These schedules can only be met with the cooperation of City staff. Delays in responding to our requests for data and review will result in corresponding delays to the project schedules. If that is the case, we will notify the City immediately of the possible impact on the schedule.*

Full Cost Allocation Plan



Deliverables:

- ☒1:

Information Request

☒5: Draft Report
- ☒2:

Revised Project Scope and Schedule (if needed)
- ☒6: Revised Draft Report/Final Report
- ☒3:

User-friendly Model in Microsoft Excel
- ☒7: Final Report – Hard and Electronic Copies
- ☒4:

Draft Cost Allocation Plan Model Review

Comprehensive User Fee Study

City of Upland
Comprehensive User Fee Study

Project Schedule

Scope of Services	November							December							January							February						
	1	8	15	22	29	6	13	20	27	3	10	17	24	31	7	14	21	28										
Task 1: Initial Document Request																												
Task 2: Compile Inventory of Current & Potential Fees																												
Task 3: Kick-off / Refine Scope (web meeting/conference call)																												
Task 4: Develop User Fee Model																												
Task 5: Time Survey Interviews & Information Gathering (web meetings)																												
Task 6: Common Fees Comparison																												
Task 7: Data Analysis & Final User Fee Schedule (Web mtgs/conf calls)																												
Task 8: Prepare & Present Draft Report (conference call)																												
Task 9: Revise Draft Report/Determine Cost Recovery Levels (conference call)																												
Task 10: Prepare & Present Final Report/Instruct Staff on Model (web meeting)																												

Deliverables:






- ¶1: Information Request
- ¶2: Draft List of Current Fees
- ¶3: Revised Project Scope and Schedule (if needed)
- ¶4: User-friendly Model in Microsoft Excel
- ¶5: Time Surveys and Draft Full Cost Recovery Fees
- ¶6: Common Fee Comparison
- ¶7: Draft Fee and Rate Model Review
- ¶8: Draft Report
- ¶9: Revised Draft Report/Final Report
- ¶10: Final Report – Hard and Electronic Copies

Project Management Plan and Quality Assurance/Control

Project Management

At Willdan, we utilize a Project Management Process/Approach that ensures projects are completed on time, within budget and most importantly yield results that match our clients' expectations. We will document discussions leading to important policy decisions and/or the choice of critical assumptions used in constructing the analysis and model. Following key stakeholder discussions, we will schedule a call to summarize findings and direction with City staff, to make certain that we are in agreement with stated objectives, and that feedback is incorporated as appropriate.

Through the process of providing regular updates and conducting status conference calls, potential issues will be highlighted, discussed, and resolved. Any deviances from the project timeline will be identified and plans will be developed for course corrections. If necessary, changes in approach or strategy will be discussed with City staff, to meet the needs of the City of Upland. In doing this, we will ensure the project stays on track and evolves, based upon current thinking and outside dynamics.

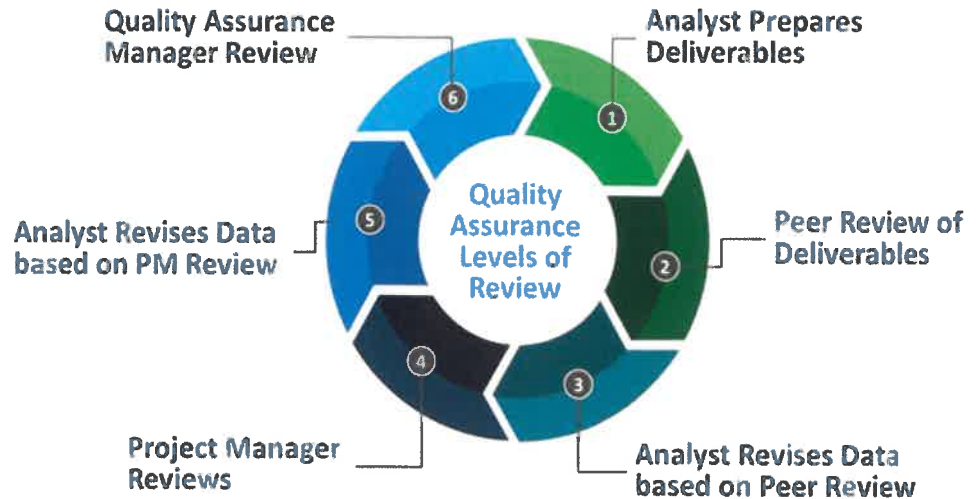
Project Management				
 Define the project	 Plan the project	 Manage the project	 Review the project	 Communicate the project
<ul style="list-style-type: none"> Identify the project scope, set objectives, list potential constraints, document assumptions. Define a course of action and develop an effective communication plan. Provide a forum for applying the team's collective expertise to solving difficult analytical issues that arise in complex projects. 	<ul style="list-style-type: none"> Collaborate with the project team and client staff and agree upon timeline to meet the estimated project timeline. Assign workload functions to appropriately qualified staff to ensure milestones are met, on time. Pre-schedule quality control meetings with project team to maintain the progressive motion of the project. 	<ul style="list-style-type: none"> Manage the execution of the project. Direct existing and upcoming project tasks. Control and monitor work in progress. Provide feedback to client and project team. Identify and resolve deviances from project timeline. 	<ul style="list-style-type: none"> Review all work product and deliverables. Utilize structured quality assurance process involving up to three levels of review at the peer level, project manager level. Procure executive officer level review. 	<ul style="list-style-type: none"> Communicate with the client regarding work status and progress. Ensure client is in receipt of regular status updates. Schedule regular conference calls to touch base. Inform client of roadblocks, work outside of projected scope.

Quality Assurance / Quality Control Process

Our quality control program is incorporated as a required element of Willdan's day-to-day activities. There are three levels of reviews incorporated for our deliverables:

- 1) Peer review;
- 2) Project Manager review; and
- 3) Final quality assurance manager review.

Peer reviews involve one analyst reviewing the work of another, while project manager reviews are conducted prior to delivery to the quality assurance manager. The quality assurance manager then performs a final review. This assures that our final product has been thoroughly evaluated for potential errors; thus, providing quality client deliverables, and high levels of integrity and outcomes.



The primary mission of our quality control plan is to provide staff with the technical and managerial expertise to plan, organize, implement, and control the overall quality effort, thereby ensuring the completion of a quality project within the time and budget established.

Quality Assurance Goals

Goal	Lead	Task
Quality Assurance / Control Process	Chris Fisher	<ul style="list-style-type: none"> Establish a set of planned and systematic actions for maintaining a high level of quality in the professional services performed; Emphasize quality in every phase of work; Ensure efficient use of resources; Establish a consistent and uniform approach to the services performed; and Implement appropriate quality control measures for each work task of the project.
Quality Control Plan	Chris Fisher, Tony Thrasher, & Robert Quaid, CPA	<ul style="list-style-type: none"> Contract deliverables; Specific quality control procedures; Special quality control emphasis; Budget and manpower requirements; Overall project schedule and budget; and Project documentation requirements.

3. Relevant Experience

Firm Profile

Willdan Financial Services is an operating division within Willdan Group, Inc. (WGI), which was founded in 1964 as an engineering firm working with local governments. Today, WGI is a publicly traded company (WLDN). WGI, through its divisions, provides professional technical and consulting services that ensure the quality, value and security of our nation's infrastructure, systems, facilities, and environment. The firm has pursued two primary service objectives since its inception—ensuring the success of its clients and enhancing its surrounding communities.

A financially stable company, Willdan has approximately 1,400 employees working in more than a dozen states across the U.S. Our employees include a number of nationally recognized Subject Matter Experts for all areas related to the broadest definition of connected communities—*four of whom are committed to contribute their expertise throughout the duration of the City of Upland's fee study engagement.*



Willdan has solved economic, engineering and energy challenges for local communities and delivered industry-leading solutions that have transformed government and commerce. Today, we are leading our clients into a future accelerated by change in resources, infrastructure, technology, regulations, and industry trends.

Willdan Financial Services

Established on June 24, 1988, Willdan Financial Services, is a national firm and is one of the largest public sector economic and financial analysis consulting firms in the United States. Since that time, we have helped over 800 public agencies successfully address a broad range of infrastructure challenges.

Our staff of nearly 80 full-time employees support our clients by conducting year-round workshops and on-site training to assist them in keeping current with the latest developments in our areas of expertise.

Willdan assists local public agencies by providing the following services:

Willdan Financial Services Services

- | | |
|--|--|
| ▪ User fee studies | ▪ Development impact fee establishment and analysis |
| ▪ Cost allocation plan studies | ▪ Tax increment finance district formation and amendment |
| ▪ Utility rate and cost of service studies | ▪ Feasibility studies |
| ▪ Real estate economic analysis | ▪ Housing development and implementation strategies |
| ▪ Municipal advisory services | ▪ Arbitrage and continuing disclosure services |
| ▪ District administration services | ▪ Debt issuance support |
| ▪ Property tax audits | ▪ Long-term financial plans and cash flow modeling |
| ▪ Economic development strategic plans | |

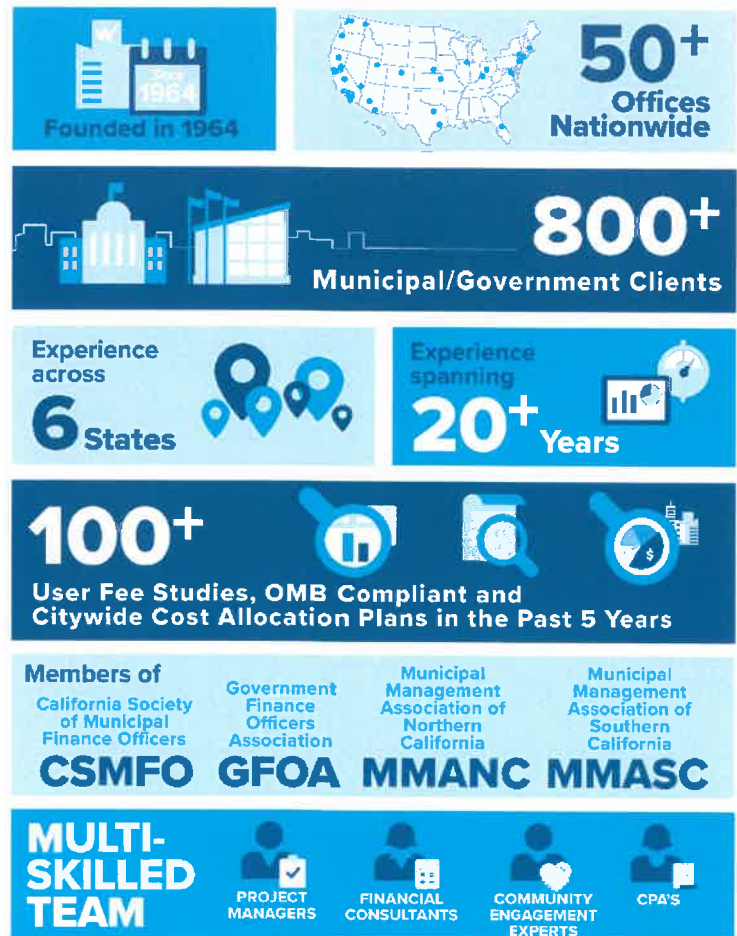
Broad Experience

Willdan Financial Services is a team of professionals who provide essential financial consulting services throughout the USA. Our direct experience as “agency staff” provides us with firsthand understanding of City operations and is uniquely useful in determining the full effort associated with service delivery and in developing a fee schedule that is easy to communicate and implement.

Willdan has provided user fee study services to municipal clients for over 20 years; and has prepared user fee studies, cost allocation plans, and OMB compliant cost allocation plans for clients throughout California, and the United States. Willdan’s proven and successful track-record conducting user fee studies and cost allocation plan services for public agencies dates to 1998. Since that time, we have developed the expertise to successfully integrate this service into the Financial Consulting Services group’s primary functions.

Willdan has extensive experience with a range of fee studies and the typical pros, cons, and challenges, both in implementation and management. Willdan will bring its expertise to the City’s process of considering financial, practical, and policy issues in deciding on its future fee program.

Our record of success within the industry provides assurance of the professionalism and capability we will bring to this engagement.



Project Dedication

Willdan has assembled a project team of four (4) subject matter experts within the Financial Consulting Services group, to conduct the City of Upland’s fee study engagement. Our team has coordinated or participated in numerous public and staff workshops regarding fees and cost of service-based charges.

Staff Continuity

It is important to note that Mr. Fisher has been with Willdan for more than 22 years, ensuring the City of Upland of continuity and dedication in staffing during the completion of the project.

Mr. Fisher has been assigned to serve as the City’s representative; he has been selected for this role due to his extensive experience, which includes the preparation and supervision of numerous fee studies, as well as his experience presenting to governing bodies, stakeholders, and industry groups.

References

Below are recent project descriptions, including client contact information, that are similar in nature to those requested by the City of Upland. We are proud of our reputation for customer service and encourage you to contact these clients regarding our commitment to completing the projects within budget and agreed upon timelines.

City of Chino Hills, CA

Full Cost Allocation Plan and Comprehensive User Fee Study

The City of Chino Hills engaged Willdan to complete a comprehensive Cost Allocation Plan and Comprehensive User Fee Study. Willdan staff met with City staff to verify the City's objectives for the study, independently gathered most of the necessary data for the development of the CAP model and methodology and worked directly with City staff to gather additional detail or clarify information where necessary. We worked City staff to understand the various functions served by indirect staff in various City departments, and which operating departments or funds they served. We worked directly with City staff to develop and verify allocation bases and make adjustments through several iterations of the CAP model, as necessary.

We developed a cost-of-service analysis and model that updated existing fees and incorporated new fees and used it to create an updated comprehensive fee schedule.

Willdan is currently providing an update to the User Fee Study and Cost Allocation Plan.

Client Contact: Ms. Christa Buhagiar, Finance Director
14000 City Center Drive, Chino Hills, CA 91709
Tel. #: (909) 364-2642 | Email: cbuhagiar@chinohills.org

Project Dates: May 2018 to present

Contract Amount: \$61,450

City of Claremont, CA

Comprehensive User Fee Study and Full Cost Allocation Plan

Willdan was engaged to prepare for the City of Claremont a Cost Allocation Plan and Comprehensive User Fee Study. Willdan developed a cost allocation plan and model that fully allocated central overhead costs to appropriate operating departments, funds, and/or programs. Our primary objective for the cost allocation study was to ensure that general government costs are fairly and equitably allocated to appropriate programs and funds, based on tailored and well thought out allocation factors.

Willdan reviewed and analyzed existing user fee programs, and based upon conversations with staff, made suggestions, as necessary, for fees that may need to be added to the City's fee schedule for which fees were not currently being charged. Utilizing the full CAP, the comprehensive user fee study phase was completed with full interviews and being conducted on site, and a comprehensive fee model developed.

Client Contact: Mr. Adam Pirrie, City Manager
207 Harvard Avenue, Claremont CA 91711
Tel #: (909) 399-5328 | Email: APirrie@ci.Claremont.ca.us

Project Dates: May 2017 – May 2018

Contract Amount: \$37,000

City of Arcadia, CA

Comprehensive User Fee Study and Full Cost Allocation Plan

Willdan prepared a Cost Allocation Plan, OMB Compliant Cost Allocation Plan, and User Fee Study for the City of Arcadia. Willdan developed a cost allocation plan and model that fully allocated central overhead costs to appropriate operating departments, funds, and/or programs. This portion of the project involved the development of two models: a full Cost Allocation Plan and an OMB compliant Cost Allocation Plan. The OMB compliant Plan was developed using the same model, utilizing a toggle to remove previously flagged costs that would not be allocable under OMB guidelines.

Utilizing the full CAP, Willdan completed the comprehensive user fee study. Willdan completed both studies concurrently, in a manner that fully identifies and takes into account direct and indirect costs, along with changes in staffing, structure, and methods of service delivery.

Client Contact: Ms. Laena Shakarian, Management Analyst
240 West Huntington, Arcadia, CA 91007
Tel #: (626) 574-5434 | Email: ls Shakarian@ArcadiaCA.gov

Project Dates: December 2019 – May 2021

Contract Amount: \$34,685

City of Pomona, CA

Master Fee Schedule Update and Development Impact Fee Review

In 2020, Willdan was selected to prepare a Master Fee Schedule Update and Development Impact Fee Review for the City of Pomona. This project also included the establishment of a User Fee Cost Recovery Policy.

The user fee study portion of this engagement involved the development of a cost allocation plan and a review of existing user fee programs. Based upon conversations with staff, recommendations were provided for fees that should be added to the City's fee schedule that were not currently being charged. A cost-of-service analysis and model was developed that updated existing fees, as well as incorporated new ones, which was used to create an updated comprehensive fee schedule. Fees were successfully implemented in early 2021.

The impact fee study centered upon the review and update of the following fee categories: roadway facilities and traffic signals; storm drainage; public safety (fire and police); potable and recycled water; parks and recreation; and sewer. The community was particularly focused on updating the City's park impact fees, which had not been updated since the late 1980s and did not adequately mitigate the demands of new development for parks. Willdan prepared the study and presented the results at several City Council workshops prior to a public hearing where the program was adopted in July 2021.

Client Contact: Andrew Mowbray, Finance Director
505 South Garey Avenue, Pomona, CA 91766
Tel #: (909) 620-2353 | Email: Andrew_mowbray@ci.pomona.ca.us

Project Dates: July 2020 – July 2021

Contract Amount: \$89,980

City of El Monte, CA

Full & OMB Compliant Cost Allocation Plan, Comprehensive User Fee Study and Development Impact Fee Study

Willdan completed a full cost allocation plan, OMB compliant cost allocation plan, comprehensive user fee study, along with a development impact fee study for the City of El Monte. The Willdan team worked with City staff to gather the necessary data to develop the cost allocation model. Our primary objective for the cost allocation study update was to ensure that general government costs are fairly and equitably allocated to appropriate programs and funds, based on tailored and well thought out allocation factors. The Cost Allocation Plan was also created to develop OMB compliant overhead allocations and indirect rates. Willdan reviewed and analyzed existing user fee programs, and based upon conversations with staff, made suggestions, as necessary, for fees that may need to be added to the City's fee schedule for which fees were not currently being charged. We developed a cost-of-service analysis and model that updated existing fees and incorporated new fees and used it to create an updated comprehensive fee schedule.

Willdan also prepared a facility rental fee analysis and filming fee study for the City.

Client Contact: Mr. Steven Wright, Consultant
11333 Valley Boulevard, El Monte, CA 91731
Tel #: (626) 826-4695 | Email: swright@interwestgrp.com

Project Dates: October 2019 – June 2021

Contract Amount: \$103,360

City of Irvine, CA

Full Cost Allocation Plan and Comprehensive User Fee Study

Willdan completed a comprehensive user fee study and full cost allocation plan for the City of Irvine. The cost allocation plan was also OMB compliant, whereas the user fee study focused on the community development/ planning, city clerk, public safety, and public works departments.

In addition to identifying the true costs of City-provided services, Willdan staff worked with each department to identify opportunities in recovering costs of services for which no fee had previously been collected.

Willdan also conducted the City's previous study, as well as updates to the studies, and was recently re-selected to conduct a Building and Safety User Fee.

Client Contact: Ms. Amy Roblyer, Senior Management Analyst
One Civic Center Plaza, Irvine, CA 92606
Tel #: (949) 724-6255 | Email: aroblyer@cityofirvine.org

Project Dates: May 2017 – April 2021

Contract Amount: \$44,275

Similar Studies

Listed in the table below, is an abbreviated list of the public agencies in which similar services are currently in progress, or have been completed, in the previous five years by the project team included within this submission.

Five Year Cost Allocation Plan and User Fee Study Experience	
Client	Project Description
City of Arcadia, CA	Cost Allocation Plan and Comprehensive User Fee Study
City of Aurora, CO	Cost Allocation Plan and Comprehensive User Fee Study
City of Banning, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Bedford, TX	Cost Allocation Plan
City of Bellflower, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Belmont, CA	User Fee Study and Refinement of Cost Allocation Plan
City of Blythe, CA	Cost Allocation Plan and Comprehensive User Fee Study
City of Cerritos, CA	Development Services User Fee Study
City of Chino, CA	Comprehensive User Fee Study, Cost Allocation Plan and Indirect Cost Rate Studies
City of Chino Hills, CA	Cost Allocation Plan and Comprehensive User Fee Study, and Updates
City of Claremont, CA	Cost Allocation Plan and User Fee Study
City of Coalinga, CA	User Fee and Rate Study
City of Colton, CA	User Fee Study
City of Coppell, TX	Full Cost Allocation Plan
City of Cudahy, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of DeSoto, TX	Comprehensive User Fee Study
City of Dinuba, CA	Cost Allocation Plan
City of El Centro, CA	Comprehensive User Fee Study
City of El Cerrito, CA	Cost Allocation Plan and Community Development Department User Fee Study
City of El Monte, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Eastvale, CA	Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study
City of Encinitas, CA	Development Services User Fee Study and Cost Allocation Plan
City of Escondido, CA	Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study
City of Fillmore, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study

Five Year Cost Allocation Plan and User Fee Study Experience

Client	Project Description
City of Fountain Hills, AZ	Comprehensive User Fee Study
City of Fontana, CA	Building & Safety User Fee Study
City of Fullerton, CA	Community Development Department User Fee Study
City of Galt, CA	Cost Allocation Plan and OMB Compliant Plan
City of Gardena, CA	Cost Allocation Plan
City of Georgetown, TX	Cost Allocation Plan
City of Gilroy, CA	Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study
City of Goleta, CA	Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study
City of Hawthorne, CA	Cost Allocation Plan and User Fee Study
City of Hayward, CA	Comprehensive Master User Fee Study, Full Cost Allocation Plan, and updates, and Rental Inspection Program Fee Analysis
City of Hesperia, CA	Cost Allocation Plan
City of Hollister, CA	User Fee Study
City of Indian Wells, CA	Comprehensive User Fee Study
City of Irvine, CA	Overhead Cost Allocation, OMB Compliant Plan and Comprehensive User Fee Study
City of Irwindale, CA	Cost Allocation Plan, User Fee Study and Development Impact Fee Study
City of Kingsburg, CA	Cost Allocation Plan
City of La Puente, CA	Cost Allocation Plan, OMB Compliant Plan, and User Fee Study
City of Laguna Hills, CA	Comprehensive User Fee Study and Cost Allocation Plan Update
City of Lake Elsinore, CA	User Fee Study and Cost Allocation Plan and Updates
City of Lomita, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Analysis
City of Los Altos, CA	Cost Allocation Study, OMB Compliant Plan, and Comprehensive User Fee Study
City of Los Angeles, CA	Building & Safety User Fee Study
City of Los Banos, CA	Full Cost Allocation Study, OMB Compliant Plan, and Comprehensive User Fee Study
City of Lynwood, CA	User Fee Study and Cost Allocation Plan, and Updates
City of Manteca, CA	Cost Allocation Plan and Comprehensive User Fee Study
City of Mesquite, TX	Cost Allocation Plan and OMB Compliant Plan
City of Mission Viejo, CA	Comprehensive User Fee Study and Cost Allocation Plan, and Updates
City of Missouri City, TX	Full and OMB Compliant Cost Allocation Plan and User Fee Study

Five Year Cost Allocation Plan and User Fee Study Experience

Client	Project Description
City of Montebello, CA	Cost Allocation Plan and User Fee Study
City of Monterey Park, CA	Cost Allocation Plan and User Fee Study, and Updates
City of Monterey, CA	Cost Allocation Plan and Indirect Cost Rate
City of Murrieta, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan and Updates
City of Napa, CA	Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of National City, CA	Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study
City of Oroville, CA	Cost Allocation Plan
City of Oviedo, FL	Cost Allocation Plan
City of Palm Desert, CA	Cost Allocation Plan and Comprehensive User Fee Study
City of Patterson, CA	Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Petaluma, CA	Cost Allocation Plan, User Fee Study, CIP Admin Rate & Work Order Rate Analysis, Hourly Overhead Rates, and ISF Allocation Study, and Updates
City of Pittsburg, CA	User Fee Study and Cost Allocation Plan
City of Pomona, CA	Master Fee Schedule Update and Development Impact Fee Review
City of Rocklin, CA	User Fee Study
City of Richmond, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Rosemead, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of St. Helena, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of Salinas, CA	Full Cost Allocation Plan and Comprehensive Fee Study
City of San Anselmo, CA	Cost Allocation Plan and Comprehensive User Fee Study
City of San Bruno, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of San Fernando, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study, and Updates
City of San Jacinto, CA	Cost Allocation Plan, OMB Compliant Plan, User Fee Study and Development Impact Fee Study
City of San Luis, AZ	Cost Allocation Plan
City of San Marcos, CA	Cost Allocation Plan and Indirect Cost Rate Studies
City of Santa Ana, CA	User Fee Study

Five Year Cost Allocation Plan and User Fee Study Experience	
Client	Project Description
City of Santa Cruz, CA	Citywide Overhead Cost Allocation Plan, Santa Cruz Library Cost Allocation Plan, and Fleet and Facility Services Cost Allocation Plan
City of Signal Hill, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of Soledad, CA	User Fee Study
City of Stanton, CA	Comprehensive User Fee Study, Cost Allocation Plan, and OMB Compliant Plan
City of Surprise, AZ	Full Cost Allocation Plan
City of Tamarac, FL	Building & Safety Department User Fee Study
City of Tulare, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Tustin, CA	Comprehensive User Fee Study
City of Twentynine Palms, CA	Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Union City, CA	Comprehensive User Fee Study, Full Cost Allocation Plan, and OMB Compliant Plan
City of Upland, CA	Cost Allocation Plan and Hourly Rate Study
City of Watsonville, CA	Comprehensive User Fee and Rate Study, Cost Allocation Plan, and OMB Compliant Plan, and Updates
City of West Hollywood, CA	Cost Allocation Plan and User Fee Study
City of West Sacramento, CA	Cost Allocation Plan, OMB Compliant Plan, and Comprehensive User Fee Study
City of Yucaipa, CA	Comprehensive User Fee and Rate Study, Full Cost Allocation Plan, and OMB Compliant Plan
County of Mono, CA	Comprehensive User Fee Study
County of Placer, CA	Land Development Fee Study
County of San Benito, CA	Comprehensive User Fee Study and Development Impact Fee Study
Housing Authority of the County of San Bernardino, CA	Cost Allocation Plan and Updates
Kentuckiana Works, KY	OMB Cost Allocation Plan and Updates
Town of Paradise Valley, AZ	Planning and Engineering Services Fee Study
Town of San Anselmo, CA	Full Cost Allocation Plan and Comprehensive User Fee Study
Town of Sunnyvale, TX	Comprehensive User Fee Study

Project Team

Our management and supervision of the project team is very simple: staff every position with experienced, capable personnel in sufficient numbers to deliver a superior product to the City, on time and on budget. With that philosophy in mind, we have selected experienced professionals for this engagement. We are confident that our team possesses the depth of experience that will successfully fulfill your desired work performance.

Our employees know and understand the problems facing local government under the current economic climate, and we have oriented our practice to support an agency's modified budget policies and public service priorities.

The team presented within this proposal has worked collectively on numerous projects, such as the one requested by the City of Upland; an established work practice between the team members has been forged, this proven long-standing system has benefited our clients.

Project Roles

Key Team Member	Project Role	Responsibility to the City of Upland Engagement
Chris Fisher	Principal-in-Charge	<ul style="list-style-type: none"> Technical guidance Project oversight Quality assurance & control Meeting and presentation attendance
Tony Thrasher	Technical Project Manager	<ul style="list-style-type: none"> Task oversight Model development Produce key elements of the analyses Responsible for project deliverables Report evaluation Meeting and presentation attendance
Priti Patel	Financial Analyst	<ul style="list-style-type: none"> Collect, interpret, and analyze key data Assistance with model development Report preparation Meeting and presentation attendance
Robert Quaid, CPA	Quality Assurance / Quality Control	<ul style="list-style-type: none"> Third party reviewer Report evaluation

Resumes

Resumes for Willdan's project team are presented on the following pages.

Chris Fisher Principal-in-Charge

Education

San Francisco State University, Bachelor of Science, Finance

Areas of Expertise

Cost of Service Analyses

Multi-disciplinary Team Management

Special District Formations

Client Presentations

Proposition 218

Affiliations

California Society of Municipal Finance Officers

Municipal Management Association of Northern California

California Municipal Treasurers Association

22 Years' Experience

Mr. Chris Fisher, Vice President and Director of Willdan's Financial Consulting Services group, will serve as Principal-in-Charge for the City of Upland project. He will also share his extensive knowledge related to cost-of-service principles with members of the project team.

Mr. Fisher joined Willdan in April of 1999, and during that time has managed an array of financial consulting projects for public agencies in California, Texas, Arizona, and Florida, coordinating the activities of resources within Willdan, as well as those from other firms working on these projects. He is one of the firm's leading experts for special district financing related to public infrastructure, maintenance, and services, including public safety.

Related Experience

City of Irvine, CA — OMB Cost Allocation Plan and Comprehensive User Fee Study: Willdan completed a cost allocation plan and user fee study for the City of Irvine. Mr. Fisher managed and provided quality assurance to this project, ensuring the accuracy of the models, as well as the final reports. He also presented the results to the City's Finance Commission and to the City Council.

City of West Covina, CA — Comprehensive Cost Allocation Plan and User Fee Study: Mr. Fisher served in the role of project manager for the City's engagement. The cost allocation plan developed will aid the City in the recovery of overhead costs related to central service activities.

City of Laguna Hills, CA — Comprehensive Cost Allocation Plan and Comprehensive User Fee Study: Mr. Fisher oversaw the update of the City's general overhead allocation plan and cost-of-service user fees.

City of Palm Desert, CA — Cost Allocation Plan and Comprehensive User Fee Study: Mr. Fisher is the principal-in-charge for the ongoing full cost allocation plan and user fee study. Willdan's work includes the gathering of necessary data and information, interviews with City Staff to identify overhead support services and how they are used and interviews to gather information related to fee-based services. We are also developing financial models to calculate overhead allocations and personnel rates and the full cost of services for which fees are charged. We are working with Staff to finalize cost recovery targets, prepare reports and present the results.

City of Murrieta, CA — Cost Allocation & OMB Compliant Plan and Comprehensive User Fee Study: Mr. Fisher served as the project manager on the City's fee study. The primary objective for the cost allocation study was to ensure that general government costs were fairly and equitably allocated to appropriate programs and funds. ***The City recently re-engaged Willdan to conduct an update to both studies.***

City of Signal Hill, CA — Cost Allocation Plan and User Fee Study: As principal-in-charge, Mr. Fisher oversaw the development and review of a Full and OMB compliant cost allocation study and a comprehensive user fee and rate study for the City's master list of fees.

City of Indian Wells, CA — User Fee Study: Mr. Fisher was the principal-in-charge for the City's user fee study for the Administrative, Building, Planning and Public Works Departments. Our team gathered and confirmed data, met with City Staff to discuss the City's overhead support structure and how operating activities use and benefit from overhead support services. We conducted interviews to gather information related to fee-based services to be used in calculating the full cost of providing services. We developed financial models to calculate overhead allocations and the full cost of services and worked with Staff to develop fee-setting recommendations. We prepared reports and presented the results and met with the development community to address their questions about the study's methodology and results.

City of National City, CA — Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study: Mr. Fisher served as the principal-in-charge for the City of National City's Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee, and ISF Allocation Study.

C. Fisher

Resume Continued

City of Hayward, CA — Cost Allocation Plan and User Fee Study: Mr. Fisher served as the project manager for the City's full overhead cost allocation plan and OMB A-87 cost allocation plan, along with a comprehensive master user fee study. He worked with the City and Willdan staff to gather the necessary data and is overseeing Willdan's development of the cost allocation model. The City has a complicated and detailed budget and the cost allocation plan that Willdan developed is tailored to their structure and includes provision for several Internal Service Funds.

City of Union City, CA — Comprehensive Fee and Rate Study & Overhead Cost Allocation Plan: Mr. Fisher served as the principal-in-charge for the City's fee study. He oversaw the development of an overhead cost allocation plan, OMB compliant cost allocation plan, as well as a comprehensive user fee study.

City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study: Mr. Fisher served as project manager for the project team and provided oversight for this thorough and intensive study for the City of Petaluma. *The City has hired Willdan for multiple updates since we completed the original study.*

City of Belmont, CA — Master Fee Study and Cost Allocation Refinement: Mr. Fisher served as the project manager for Willdan's work with the City of Belmont and the Belmont Fire Protection District's fee study. Willdan completed a Master Fee Study and an analysis and review of the existing Cost Allocation Plan for the City of Belmont, and a Fee and Rate Study for the Belmont Fire Protection District.

City of Pittsburg, CA — Cost Allocation Plan and User Fee Study: Mr. Fisher provided policy guidance and quality assurance to the City's update and development of a comprehensive user fee study for the development of a master user fee and rate schedule and a cost allocation plan to recover overhead costs related to central service activities.

City of DeSoto, TX — User Fee Study: Mr. Fisher served as the principal-in-charge for City's Comprehensive User Fee Study.

City of Missouri City, TX — Comprehensive User Fee Study and Cost Allocation Plan: Mr. Fisher served as the principal-in-charge for the City's User Fee Study and Cost Allocation Plan.

City of Mesquite, TX — Cost Allocation Plan: Mr. Fisher served as the principal-in-charge for the City's Cost Allocation Plan study.

Tony Thrasher

Technical Project Manager

Education

*Bachelor of Science
in Economics;
California State
Polytechnic University,
Pomona*

Due to his cost allocation and user fee analyses experience, Mr. Tony Thrasher has been selected to serve as Technical Project Manager for the City's engagement. Mr. Thrasher is a Senior Project Manager within the Financial Consulting Services group, whereby his responsibilities include managing projects and conducting fiscal analyses for cost allocation plans, user fees, and utility rate studies.

Areas of Expertise

Cost Allocation Plans

Mr. Thrasher's prior employment was as a financial analyst working in bond, equity, and mortgage-backed security markets for Wells Fargo Bank, Bank of New York Mellon, and Deutsche Bank. His experience includes portfolio accounting, differential analysis, and forecasting.

*Fiscal Analysis for
User Fees and Rates*

*District Administration
Services*

Utility Rate Studies

11 Years' Experience

Related Experience

City of Chino Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Mr. Thrasher is the technical project manager for the City's Cost Allocation Plan and Comprehensive User Fee Study. He is working directly with the City contact throughout the engagement.

City of Palm Desert, CA — Cost Allocation Plan and Comprehensive User Fee Study: Mr. Thrasher is currently serving as the technical project manager for the City's full cost allocation plan and user fee study. He is directly responsible for the creation of both models for the study, gathering and verification of the data, managing the analysts working to support him and presenting results to the City.

City of Mission Viejo, CA — Cost Allocation Plan and User Fee Study: Mr. Thrasher was assigned to work with the City on this project, providing analytical support, gathering data, working with staff to make refinements, and developing cost allocation and fee models to ensure full-cost recovery for building and safety, planning, community development, and public works departments.

City of Irvine, CA — OMB Cost Allocation Plan and Comprehensive User Fee Study: Serving as the project's analyst, Mr. Thrasher provided analytical support; and designed micro-level allocation models to ensure full-cost recovery for public safety, public works, community development, community services, and administrative departments.

City of Monterey, CA — Cost Allocation Plan: Mr. Thrasher is the technical project manager for the City of Monterey Cost Allocation Plan engagement and updates. He is assisting in the development of the City's general overhead allocation plan, whereby he applies his expertise on alternative allocation methods.

City of Indian Wells, CA — User Fee Study: Mr. Thrasher served as the technical project manager for the City's Administrative, Building, Planning and Public Works Departments. The study involved the identification of existing and potential new fees, fee schedule restructuring, data collection and analysis, orientation and consultation, quality control, communication and presentations, and calculation of individual service costs cost recovery levels.

City of Richmond, CA — Cost Allocation Plan & User Fee Study: Mr. Thrasher is serving as the project manager for the City of Richmond's fee study.

City of Hayward, CA — Cost Allocation Plan and User Fee Study: For this project, Mr. Thrasher provided analytical support, and was largely responsible for the development of the models. Primary duties include gathering and verifying necessary data, finalizing model figures, and generating reports.

City of Petaluma, CA — Overhead Cost Allocation Plan and OMB Circular Plan, User Fee Study, CIP Rate Analysis, and Hourly Overhead Rate Study: Mr. Thrasher provided analytical support for this engagement. His primary duties were to work with City staff to gather data, provide assistance to the project manager, and produce reports.

T. Thrasher

Resume Continued

City of Salinas, CA — Full Cost Allocation Plan and Comprehensive Fee Study: Mr. Thrasher provided analytical support for the City of Salinas OMB A-87-compliant full cost allocation plan and comprehensive fee study engagement. He worked closely with City staff to gather and analyze data to produce reports, participated in multiple meetings, and assisted the City appointed Project Manager in the adoption of the new fees.

City of Mesquite, TX — Cost Allocation Plan: Mr. Thrasher was the technical project manager for City's Cost Allocation Study. He was directly involved in the preparation of the model and reports, and in the delivery of results to the City.

City of Missouri City, TX — Comprehensive User Fee Study and Cost Allocation Plan: As the technical project manager for City's Fee Study, Mr. Thrasher oversaw two analysts and was heavily involved in the analysis, development of models, preparation of reports and delivery of results.

City of DeSoto, TX — User Fee Study: Mr. Thrasher served as the technical project manager for City's Comprehensive User Fee Study. He led the collection and validation of data, development of model and report. He met with City Staff to understand their structure, processes and costs, and presented results to both Staff and elected officials.

Town of Sunnyvale, TX — User Fee Study: Mr. Thrasher served as the Technical Project Manager for the Town of Sunnyvale User Fee Study engagement. Full cost calculations were developed for each fee analyzed in the user fee study. The report included the methodology and suggested fees for the fees the Town wished to analyze.

City of Surprise, AZ — Cost Allocation Plan: Mr. Thrasher served as the technical project manager for the 2017 Cost Allocation Plan to identify the City's costs related to rendering internal central support services, and the allocation of those costs to operating departments.

Kentuckiana Works, KY — Cost Allocation Plan: Mr. Thrasher is serving as the technical project manager for Kentuckiana Works Cost Allocation Plan. This is an ongoing project.

Priti Patel

Analytical Support

Education
*Bachelor of Arts;
 Business
 Management,
 Information Systems
 and
 International Business,
 University of Cincinnati*

Areas of Expertise
Cost Allocation Plans

User Fee Studies

Proposition 218

7 Years' Experience

Ms. Priti Patel is a Senior Analyst within the Financial Consulting Services group, whereby she supports project managers in conducting utility rate analyses, fee studies, cost allocation plans, monitoring Proposition 218 compliance, and forming special districts.

Coordinating and conducting activities associated with Cost Allocation Plans and User Fee Studies, including database integration and manipulation, revenue and expenditure analyses, and documentation preparation are just some of Ms. Patel's duties. With these duties, she interacts with clients on a regular basis.

Ms. Patel joined Willdan as an analyst with the District Administration Group, while with DAS she performed research and analysis needed for local government financial issues related to district administration, including document data entry and updating, database management, research and report preparation. She also provided general information on questions pertaining to Assessment Districts and special taxes (such as Mello-Roos Pools), as well as the status of property delinquencies.

Related Experience

City of Chino Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Providing analytical support in the preparation of a cost allocation plan and comprehensive fee study, Ms. Patel worked to identify and take into account direct and indirect costs, along with changes in staffing, structure, and service delivery methods. She is also assisting in the preparation of user-friendly Excel-based models that City staff can easily update in the future to determine the proper allocation of expenditures and ongoing full cost of City-provided services.

City of Fillmore, CA — Full Cost Allocation Plan and User Fee Study: Ms. Patel helped develop a cost allocation plan and model that fully allocated central overhead costs to appropriate operating departments, funds, and/or programs. She assisted in the completion of the model and report and worked directly with senior staff to their feedback and revisions.

City of San Fernando, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel provided support to senior team members in the preparation of the cost allocation plan, OMB compliant plan and comprehensive user fee study engagement.

Rainbow Municipal Water District, CA — Cost Allocation Plan and OMB Compliant Plan: Ms. Patel provided analytical support to ensure that the District's Cost Allocation Plan and OMB compliant cost allocation model and plan fairly allocated general and administrative overhead service costs to appropriate activities and departments.

City of Laguna Hills, CA — Cost Allocation Plan and Comprehensive User Fee Study: Ms. Patel provided analytical support in the preparation of a full cost allocation plan and comprehensive fee study for the development of a master list of fees.

City of Monterey, CA — Cost Allocation Plan: Ms. Patel is serving as the financial analyst for the City of Monterey Cost Allocation Plan and updates. In this role she is responsible for obtaining updated information and data, reviewing overhead structure and functions, and preparing the updated model and report.

City of Richmond, CA — Cost Allocation Plan & User Fee Study: Ms. Patel is the financial analyst on the City of Richmond's ongoing User Fee Study and Cost Allocation Plan. She is assisting the project manager with gathering and validation of data, development of the models and related analysis, staff interviews and preparation of reports and presentations.

City of Pittsburg, CA — Cost Allocation Plan and User Fee Study: Ms. Patel was assigned to provide assistance to senior project team members on the City of Pittsburg Cost Allocation Plan and User Fee Study engagement. She will be a technical lead for the gathering of data, creation of the models and preparation of study reports and presentations. ***The City hired Willdan for the original study, and for two subsequent updates.***

P. Patel

Resume Continued

City of National City, CA — Cost Allocation Plan, OMB Compliant Cost Allocation Plan, User Fee Study, and ISF Allocation Study: Ms. Patel provided analytical support in the preparation of this study, her primary duties included development of the models, finalizing model figures and results, and generating reports.

City of Lake Elsinore, CA — User Fee Study and Cost Allocation Plan: Ms. Patel provided analytical support and gathering budget and allocation basis data for this engagement.

City of Yucaipa, CA — Cost Allocation Plan and Comprehensive User Fee Study: Provided analytical support in the preparation of a Cost Allocation Plan and OMB compliant cost allocation plan and comprehensive fee study for the development of a master list of fees. Ms. Patel worked to identify and take into account direct and indirect costs, along with changes in staffing, structure, and service delivery methods. She also assisted in the preparation of user-friendly Excel-based models that City staff could easily update in the future to determine the proper allocation of expenditures and ongoing full cost of City-provided services.

City of Dinuba, CA — Cost Allocation Plan Update and Utility Rate Study: Ms. Patel assisted with a utility rate study and a cost allocation plan update for the City. Duties included reviewing relevant documentation, gathering information related to indirect staffing and functions, assisting in the preparation of a comprehensive draft cost allocation model and plan, and testing and reviewing the model and results with project management staff.

City of DeSoto, TX — User Fee Study: Ms. Patel served as the financial analyst for City's Comprehensive User Fee Study.

City of Missouri City, TX — Comprehensive User Fee Study and Cost Allocation Plan: Ms. Patel provided analytical support in the preparation of a full cost allocation plan and comprehensive fee study.

Kentuckiana Works, KY — Cost Allocation Plan: Ms. Patel is the financial analyst assigned to the Kentuckiana Works Cost Allocation Plan engagement.

Robert Quaid, CPA

Quality Assurance/Technical Advisor

Education

*Bachelor of Science,
University of Southern
California*

With his 35 years of extensive experience in public financing, Mr. Robert Quaid has been selected to provide quality assurance/quality control in the role of technical advisor. In his position as a Principal Consultant at Willdan, Mr. Quaid provides project management, procedural support, technical support, and quality review for Willdan's District Administration group, as well as the Financial Services Consulting group specific to cost allocation plans, user fee studies, and special financial analysis.

Areas of Expertise

*Fiscal Analysis for User
Fees and Rates*

Prior to joining Willdan, Mr. Quaid worked in the private industry of real estate accounting and finance. He began his career with the public accounting firm formerly known as Haskins & Sells (currently known as "Deloitte & Touche"). His experience includes financial statement analyses, asset administration, computer conversion, and reporting to the Securities and Exchange Commission for several public real estate partnerships. In 1979, Mr. Quaid became a licensed California CPA.

Cost Allocation Plans

*Acquisition Audit
Services*

*Statutory Financial
Reporting*

Fund Audits

*Quality Review of
Community Facilities,
Lighting & Landscaping,
and Assessment
Districts*

Affiliations

*California Society of
Municipal Finance
Officers*

*California Society of
CPAs*

Certifications/ Licenses

*Certified Public
Accountant*

35 Years' Experience

Related Experience

Cities of Fontana, Gardena and Hawthorne, CA — Cost Allocation Plan Projects: For each of these cities, Mr. Quaid served in the role of task manager for the development of an OMB A-87 compliant cost allocation plan model using Microsoft Excel. He was responsible for the preparation of the cost allocation plan report and trained City staff on how to use the cost allocation model.

City of Rialto, CA — Comprehensive User Fee Study: Project manager for the Comprehensive User Fee Study to develop a user fee model in Microsoft Excel and update fees for Planning, Engineering, Building, Public Works, Recreation, Police, Fire, City Clerk, Treasurer and Finance.

City of Cathedral City, CA — Comprehensive User Fee Study: Mr. Quaid served as project manager for a user fee study that required updating fees for Planning, Engineering, Building, Police, Fire, City Clerk, and Finance.

Mr. Quaid has provided Quality Assurance and Quality Control to multiple clients. Provided below are a few examples of clients in which services have been provided in the previous three years.

- City of Arcadia, CA
- City of Monterey, CA
- City of Cerritos, CA
- City of Petaluma, CA
- City of Claremont, CA
- City of Richmond, CA
- City of Coalinga, CA
- City of Rocklin, CA
- City of DeSoto, TX
- City of St. Helena, CA
- City of El Cerrito, CA
- County of San Benito, CA
- City of Fillmore, CA
- City of San Bruno, CA
- City of Galt, CA
- City of Salinas, CA
- City of Hayward, CA
- City of Union City, CA
- City of Indian Wells, CA
- City of Watsonville, CA
- City of Missouri City, TX
- City of Yucaipa, CA

4. Comments of Requested Changes to Contract

Willdan's legal counsel has reviewed the City's Professional Services Agreement and would like to note that specific to Section 11(e)(iii), Insurance/Minimum Policy Limits Required, our professional liability policy limit has defense costs inside the limit. If awarded this engagement, the language will likely need to be revised accordingly.

5. Cost Proposal

All-inclusive Not-to-Exceed Fee

Willdan Financial Services ("Willdan") proposes a **not-to-exceed fixed fee of \$34,745** for the Cost Allocation Plan and Comprehensive User Fee Study engagement. The tables below provide a breakdown of the fee to complete each study by task and project team member.

Component Costs

Full Cost Allocation Plan

City of Upland Cost Allocation Plan						
Fee Proposal						
	C. Fisher Principal-in- Charge	T. Thrasher Tech Project Manager	P. Patel Analytical Support	R. Quaid QA/Tech Advisor	<u>Total</u>	
	\$ 250	\$ 185	\$ 125	\$ 210	Hours	Cost
Scope of Services						
Task 1: Initial Document Request	-	-	1.0	-	1.0	\$ 125
Task 2: Kick-off /Refine Scope	-	1.0	1.0	-	2.0	310
Task 3: Gather Staffing Information & Develop Model	1.0	6.0	14.0	1.0	22.0	3,320
Task 4: Test & Review Cost Allocation Methodology	1.0	3.0	6.0	1.0	11.0	1,765
Task 5: Prepare & Present Draft Report	-	4.0	8.0	1.0	13.0	1,950
Task 6: Discuss & Revise Report	1.0	2.0	4.0	-	7.0	1,120
Task 7: Prepare & Present Final Report/Instruct Staff	-	4.0	4.0	-	8.0	1,240
Total	3.0	20.0	38.0	3.0	64.0	\$ 9,830

Comprehensive User Fee Study

City of Upland Comprehensive User Study						
Fee Proposal						
	C. Fisher Principal-in- Charge	T. Thrasher Tech Project Manager	P. Patel Analytical Support	R. Quaid QA/Tech Advisor	<u>Total</u>	
	\$ 250	\$ 185	\$ 125	\$ 210	Hours	Cost
Scope of Services						
Task 1: Initial Document Request	-	-	1.0	-	1.0	\$ 125
Task 2: Compile Inventory of Current & Potential Fees	-	-	2.0	-	2.0	250
Task 3: Kick-off /Refine Scope	1.0	1.0	1.0	-	3.0	560
Task 4: Develop User Fee Model	1.0	4.0	16.0	1.0	22.0	3,200
Task 5: Time Survey Interviews & Information Gathering	-	12.0	12.0	-	24.0	3,720
Task 6: Common Fees Comparison	-	4.0	16.0	-	20.0	2,740
Task 7: Data Analysis & Final User Fee Schedule	1.0	10.0	40.0	1.0	52.0	7,310
Task 8: Prepare & Present Draft Report	1.0	4.0	12.0	1.0	18.0	2,700
Task 9: Revise Draft/Determine Cost Recovery Levels	1.0	6.0	10.0	1.0	18.0	2,820
Task 10: Prepare and Present Final Report/Instruct Staff	1.0	4.0	4.0	-	9.0	1,490
Total	6.0	45.0	114.0	4.0	169.0	\$ 24,915

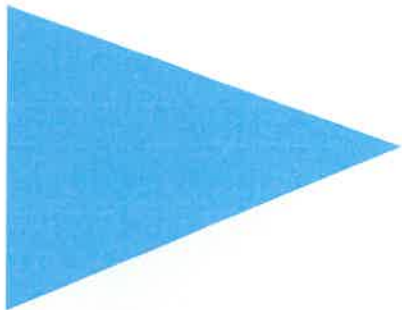
Rates for Additional Professional Services

Our current hourly labor rates are listed below.

Willdan Hourly Rate Schedule		
Position	Team Member	Hourly Rate
Vice President - Director	Chris Fisher	\$250
Managing Principal		\$240
Principal Consultant	Bob Quaid	\$210
Senior Project Manager	Tony Thrasher	\$185
Project Manager		\$165
Senior Project Analyst		\$135
Senior Analyst	Priti Patel	\$125
Analyst II		\$110
Analyst I		\$100

Manner of Payment

- Our fee includes all direct expenses associated with the project.
- We will invoice the City monthly based on percentage of project completed.
- Additional services may be authorized by the City and will be billed at our then-current hourly overhead consulting rates.
- City shall reimburse Willdan for any costs Willdan incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to City or relating to the project. Reimbursement shall be at Willdan 's rates in effect at the time of such response.
- The cost of preparing the User Fee Study can be included in the resulting new fee schedule. Therefore, over time, the City can recover the initial outlay of funds that was required to complete the studies.
- Willdan will rely on the validity and accuracy of the City's data and documentation to complete the analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy and will not be responsible for any errors that result from inaccurate data provided by the client or a third party.



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